Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 03313 091106Z
ACTION EB-08

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 L-03 H-01 NSC-05 SS-15 STR-04
CEA-01 PA-01 PRS-01 INT-05 /086 W
----------091116Z 084487 /17
R 090855Z MAR 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6002

LIMITED OFFICIAL USE TOKYO 3313

E.O. 11652: N/A
TAGS: ETRD, JA
SUBJECT: REACTION TO GILMORE STEEL DUMPING CHARGE

1. SUMMARY. JAPANESE STEEL INDUSTRY IS REBUTTING GILMORE STEEL'S RECENT DUMPING CHARGE BY POINTING TO STAGNATION IN DEMAND FOR STEEL PLATE AS WELL AS INEFFICIENCY OF SMALLER WESTERN AND SOUTHERN U.S. MARKERS AS REASON FOR THE LOWER-THAN-U.S.-MARKET PRICE OF JAPANESE PLATE. THERE IS SOME FEELING THAT GILMORE'S CHARGE MAY BE DESIGNED TO INFLUENCE THE UPCOMING FUKUDA-CARTER TALKS. PRESS SPECULATION THAT MITI HAS REACTED TO THIS CHARGE BY CALLING FOR GOVERNMENT-SPONSORED CONSULTATIONS ON STEEL EXPORTS ARE OVERDRAWN; MITI HAS BEEN ARGUING ITS PREFERENCE FOR AN EC-STYLE RESTRAINT AGREEMENT FOR SOME TIME AND IS STILL OPPOSED TO A GOVERNMENT-GOVERNMENT ACCORD ON STEEL. END SUMMARY.

2. MARCH 4 MAINICHI AND SANKEI EDITIONS CARRIED ARTICLES ON GILMORE STEEL'S CHARGE AGAINST FIVE MAJOR JAPANESE MANUFACTURERS OF DUMPING STEEL PLATE. SANKEI NOTED THAT STAGNANT DEMAND FOR STEEL PLATE HAS DRIVEN JAPANESE EXPORT PRICES DOWN BELOW NORMAL MARKET PRICES IN THE U.S. THIS IS PARTICULARLY EVIDENT IN THE NORTHWESTERN AND SOUTHERN REGIONS OF THE U.S., WHERE THERE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 03313 091106Z

ARE MANY SMALL, RELATIVELY INEFFICIENT MILLS. THE JAPANESE FIRMS INVOLVED ARE USING THIS FACT TO REBUT THE CHARGE THAT THEY ARE EXPORTING STEEL PLATE FOR PRICES BELOW THOSE CURRENT ON THE JAPANESE DOMESTIC MARKET. INDUSTRY SPOKESMEN HAVE SPECULATED THAT GILMORE'S CHARGE IS ACTUALLY INTENDED MAKE STEEL A SUBJECT OF TALKS DURING PM FUKUDA'S VISIT TO THE U.S.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

3. THE SANKEI WENT ON TO REPORT THAT MITI IS TAKING "A MORE SERIOUS VIEW" OF THE CHARGE, AND HAS MODIFIED ITS "INDUSTRY-PROBLEM-ONLY" VIEW OF THE U.S.-JAPAN STEEL EXPORT ISSUE TO ONE OF FAVORING A CONSULTATION ARRANGEMENT. MITI BASIC INDUSTRIES BUREAU DIRECTOR GENERAL AMAYA'S MARCH 1 STATEMENT FAVORING A JAPAN-ECSC CONSULTATION ARRANGEMENT FOR U.S.-JAPAN TALKS ON STEEL EXPORTS IS CITED AS AN INDICATION OF THIS TREND IN THE GOJ.

4. COMMENT: THE MITI POLICY OF FAVORING JAPAN-EC STYLE CONSULTATIONS ON STEEL HAS BEEN DEVELOPING FOR SOME TIME. AMAYA'S MARCH 1 STATEMENT CONFIRMS THE GOJ'S DESIRE TO AVOID A DIRECT GOVERNMENT-GOVERNMENT AGREEMENT ON THIS PROBLEM.

5. APPRECIATE YOUR KEEPING US INFORMED OF STATUS OF GILMORE STEEL'S DUMPING CHARGE.
SHOESMITH

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ANTIDUMPING LAW (TRADE), STEELS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO03313
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770080-1173
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770375/aaaacora.tel
Line Count: 78
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e7bed1ba-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3156376
Secure: OPEN
Status: NATIVE
Subject: REACTION TO GILMORE STEEL DUMPING CHARGE
TAGS: ETRD, JA
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e7bed1ba-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009